IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.221 OF 1996

The Commissioner of Income-tax,
Kolhapur .. Applicant.
V/s.
Bhogwati SSK Ltd., Parite .. Respondent.

Mr.A.S. Rao with Mr.Pankaj Kapoor for the applicant.
Mr.S.N. Inamdar with Mr.P. Vaidya for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 26TH APRIL, 2005.

P.C. :

1. Heard the learned counsel for the parties. The Tribunal has referred as many as 5 questions for the opinion of this Court. First 3 questions are nothing but various shades of Question No.4 referred to for our opinion. Therefore, answer to Question No.4 if given then question Nos.1 to 3 need not be answered by this Court, because answer to Question No.4 takes care of Question Nos.1 to 3. Question Nos.4 and 5 reads as under :

> 3. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in coming to a conclusion that there is total difference and dis-similarity in the Bye-law (unamended) of Bazpur Co-op. Sugar Factory and the Bye-law No.61 A, reproduced in para 7 of its order ?
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> 4. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in holding, in respect of various funds like Chief Minister's Fund, Hutment Fund, Small Savings Scheme, Drought fund etc that the assessee acted as an agent and collections were made as per the directions of the State Government. For

spending them on the purposes specified by the State Government and that the collections were made by way of retaining amount of cane pricepayable to the sugarcane growers and hence are not trading receipt liable to tax ?

5. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in not following the Madhya Pradesh High Court's decision in the case of Jiwajeerao Sugar Co-operative Ltd. V/s. C.I.T. (176 ITR 182) in respect of the Area Development Fund ?

2. As regards Question no.3 is concerned, the same is answered on the touchstone of the judgment of the Apex Court in the case of **Siddheshwar S.S.K. Ltd. V/s. CIT [(2004) 270 ITR 1 (SC)** in the affirmative. Similarly, Question No.4 will have to be answered on the touchstone of the judgment of the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra) in the affirmative.

3. So far as Question no.5 is concerned, the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra) has left the said question open. In this view of the matter, we remand this matter back to the Tribunal with respect to Question No.5 with direction to the Tribunal to consider the issue relating to the Area Development Fund in the light of the judgment of the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra).

4. The reference accordingly stands disposed of with no order as to costs.

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